



COMPANY: **PVH Corp**
COUNTRY: **Jordan**
ASSESSMENT DATE: **10/29/14**
MONITOR: **ELEVATE Global Limited**
PRODUCTS: **Apparel**
PROCESSES: **Cut, Other**
NUMBER OF WORKERS: **813**
NUMBER OF WORKERS INTERVIEWED:
ASSESSMENT NUMBER: **AA0000000580**

FLA Comments

Company Comment: "Factory participates in the Better Work Program. Currently PVH is awaiting results of a recent Better Work assessment, which will provide input for the FLA assessment's corrective action plans. Once the plans are submitted and reviewed by FLA, they will be included in the report."

What's Included in this Report

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- Summary of Code Violations Table
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Understanding this Assessment Report

This is a report of a workplace assessment conducted by Fair Labor Association assessors following FLA's Sustainable Compliance methodology (SCI), which evaluates a facility's performance in upholding fair labor standards through effective management practices throughout the entire employment life cycle.

This report identifies violations and risks of noncompliance with the Fair Labor Association Workplace Code of Conduct in its assessment of the employment functions, and includes a description of the root causes of violations, recommendations for sustainable and immediate improvement, and the corrective action plan for each risk or violation as submitted by the company. This document is not a static report; rather, it reflects the most recent progress updates on remediation in the "Progress Update" section for each finding.

Glossary

De minimis: A de minimis factory is a factory (1) with which the Company contracts for production for six months or less in any 24-month period; or (2) in which the Company accounts for 10% or less of the annual production of such facility. The FLA Charter states that in no event shall de minimis facilities constitute more than 15% of the total of all facilities of a Company, and the list of facilities designated as de minimis by a Company is subject to the approval of the FLA. Please note that collegiate-producing factories cannot count as de minimis.

Facility performance: how a facility rates in terms of a particular employment or management function, with 100% being the best possible score.

Fair labor standards: the minimum requirement for how workers should be treated in a workplace, as outlined in the [FLA Workplace Code of Conduct](#).

Employment life cycle: all aspects of an employee's relationship with the employer, from date of hire to termination or end of employment.

Code violation: failure to meet standards outlined in the FLA Workplace Code of Conduct in the workplace implementation of employment or management functions.

Employment Functions: The different components of the relationship between management and employees in a factory. An employment function is a process regulating an aspect of the employment relationship, such as the recruitment of workers. All employment functions together constitute the employment relationship between an employer and an employee.

1. Recruitment, Hiring & Personnel Development (e.g., performance reviews)
2. Compensation (e.g., wages, health care)
3. Hours of Work (e.g., overtime, documentation of working hours)
4. Industrial Relations (e.g., collective bargaining agreements)
5. Grievance System (e.g., worker communication with management)
6. Workplace Conduct & Discipline (e.g., discrimination, harassment)
7. Termination & Worker Retrenchment (e.g., downsizing, resignation)
8. Health & Safety (e.g., exposure to chemicals)
9. Environmental Protection (e.g., energy saving)

Management functions: violations or risks related to an employment function could be caused by the absence – or a problem in the operation – of any one of the management functions or in more than one.

1. Policy
2. Procedure
3. Responsibility & Accountability
4. Review Process
5. Training
6. Implementation
7. Communication & Worker Involvement
8. Support & Resources (only for the in-depth level)

Finding: indicators of potential gaps between desired and actual performance of the workplace on different employment functions.

Finding type

- **Immediate action required:** discoveries or findings at the workplace that need immediate action because they not only constitute an imminent danger, risk the workers' basic rights, threaten their safety and well-being or pose a clear hazard to

the environment, but also are clear non-compliances with the FLA Workplace Code of Conduct and local laws. Examples include a finding by the assessor that crucial fire safety elements are not in place or that there is underpayment of wages and/or worker entitlements or that there is direct discharge of waste water, etc.

- *Sustainable improvement required*: findings that require sustainable and systematic actions. The factory will be asked to tackle the underlying root causes and to do so in a long-term and systematic manner to bridge the gap between actual and desired performance. Examples include a finding by the assessor that there is lack of termination policies and procedures in the workplace, lack of grievance system, etc.
- *Notable feature*: indicates a remarkable feature or best practice at a workplace. Examples might include workers' wages and benefits that are significantly above the industry average, or community benefits such as free daycare.

Local law or Code Requirement: applicable regulations and standards in a workplace, which serve as the basis for an assessment, as per local law or FLA Workplace Code of Conduct. When these two do not concur, the stricter of the two standards applies.

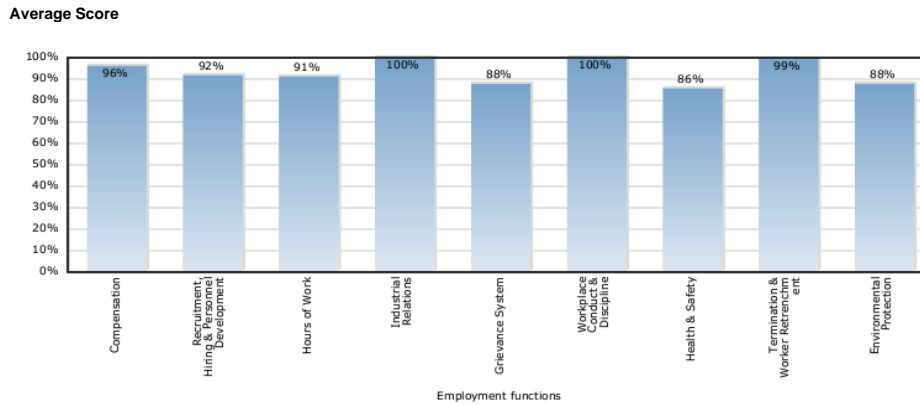
Root causes: a systemic failure within an employment function, resulting in a "finding." Findings are symptoms of underlying problems or "root causes." Consider, for example, the case of workers not wearing hearing protection equipment in a high noise area. The most expedient conclusion might be that the worker did not use the hearing protection equipment because such equipment was not provided by management. However, upon a more thorough evaluation of available information, the assessor might find that the worker was indeed supplied with hearing protection equipment and with written information about the importance of wearing hearing protection, but was not trained on how to use the equipment and that use of the equipment was not enforced in a consistent manner by management.

Company action plan: a detailed set of activities outlined by the sourcing company and/or direct employer to address FLA findings.

Factory Profile

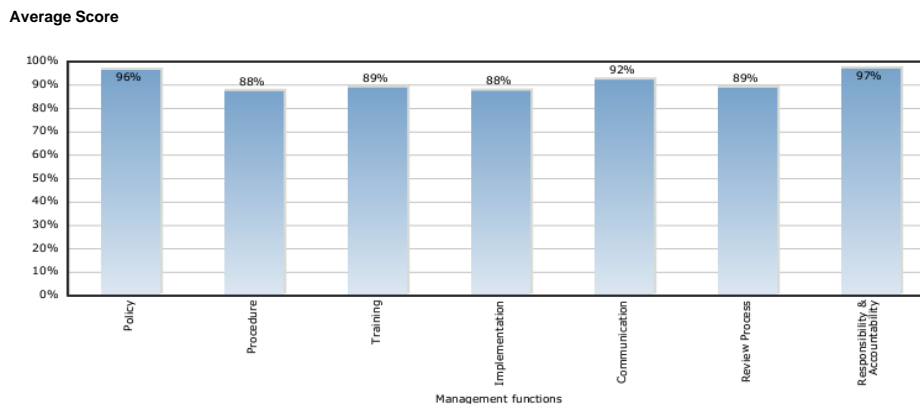
Score by Employment Function

Scores indicate a factory's performance related to a specific employment function based on an FLA assessment. A score of 100 percent indicates flawless operation of an employment function. A score of less than 100 percent indicates need for improvement.



Score by Management Function

Scores indicate a factory's performance related to a specific management function based on an assessment conducted for FLA by independent, accredited assessors. A score of 100 percent indicates flawless operation of a management function. A score of less than 100 percent indicates need for improvement.



Score Summary

Scores indicate the strength of management functions as they relate to different elements of the employment relationship (employment functions). For example (reading left to right), a score of 100 percent in the cell on the top left corner would indicate the existence of appropriate policies related to recruitment, hiring and personnel development.

Management Functions	Recruitment, Hiring & Personnel Development	Compensation	Hours of Work	Industrial Relations	Grievance System	Workplace Conduct & Discipline	Termination & Worker Retrenchment	Health & Safety	Environmental Protection
Policy	100%	100%	100%	100%	100%	100%	100%	100%	83.33%
Procedure	91.67%	100%	100%	100%	50%	100%	100%	82.14%	50%
Responsibility & Accountability	100%	100%	100%	100%	100%	100%	100%	100%	77.67%
Review Process	100%	100%	100%	100%	0%	100%	100%	100%	50%
Training	91.67%	100%	100%	100%	33.33%	100%	100%	80%	50%
Implementation	91.63%	91.49%	81.43%	100%	62.5%	100%	100%	82.21%	77.27%
Communication	100%	100%	100%	100%	50%	100%	83.33%	100%	50%

Summary of Code Violations

Companies that join the FLA agree to uphold the FLA Workplace Code of Conduct throughout their entire supply chain. The Code of Conduct is based on International Labour Organization (ILO) standards, and defines labor standards that aim to achieve decent and humane working conditions.

While it is important to note when violations of the FLA Workplace Code of Conduct occur, the purpose of these assessments is not simply to test compliance against a particular benchmark, but rather to develop an understanding of where and how improvements can be made to achieve sustainable compliance. Code of Conduct violations can be found throughout the course of an assessment of the employment and management functions, and are addressed in companies' action plans.

FLA Code Element	Number of Violations	Violations
Employment Relationship	9	General/Human Resource Management Systems Terms and Conditions/Other Special Categories of Workers Terms and Conditions/Communication Terms and Conditions/Supervisor Training General/Documentation and Inspection Administration of Hours/Production and Incentive Schemes Industrial Relations Recruitment and Hiring/Employment Agency Recruitment Practices Recruitment and Hiring/Employers Agreement with Employment Agencies
Forced Labor	1	Freedom of Movement/Workers Ability to Terminate
Hours of Work	2	General Compliance Hours of Work Rest Day
Health, Safety and Environment	4	Ergonomics Food Preparation Dormitory Facilities Evacuation Requirements and Procedure
Non-Discrimination	2	General Compliance Nondiscrimination Medical Examination

Findings and Action Plans

FINDING NO.1

RECRUITMENT, HIRING & PERSONNEL DEVELOPMENT

FINDING TYPE: Sustainable Improvement Required

Finding Explanation

1. Migrant workers pay recruitment fees to recruitment agencies or middlemen. Bangladeshi workers pay USD 300; they receive back USD 200 once they have completed 6 months at the factory. The amount is paid to their families back home. Sinhalese workers pay USD 500 to recruitment agencies, like Rainbow and Ivory, and they are not subsequently reimbursed.

Local Law or Code Requirement

FINDING NO.2

RECRUITMENT, HIRING & PERSONNEL DEVELOPMENT

FINDING TYPE: Immediate Action Required

Finding Explanation

1. The factory asks for blood tests during the hiring period, including HIV test, which carries the risk of discrimination during the recruitment process.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.3; Nondiscrimination Benchmark ND.10)

Recommendations for Immediate Action

1. Cease the practice of requesting blood tests during the hiring process.

FINDING NO.3

HOURS OF WORK

FINDING TYPE: Immediate Action Required

Finding Explanation

1. Total weekly working hours (regular + overtime hours) exceeded the legal limit of 60 hours in 2014 for 85% of the workforce. Furthermore, the production plan always includes overtime. Before September 2014, the weekly working hours were set to 72 hours per week, including 24 weekly overtime hours. After September 2014, they were set to 66 hours per week, including 12 weekly overtime hours.
2. Total daily working hours (regular + overtime hours) exceeded the legal limit of 10 hours a day. The daily working hours were regularly 12 hours per day before September 2014, and 11 hours per day after September 2014.

Local Law or Code Requirement

Jordanian Labor Law, Article 57; FLA Workplace Code (Employment Relationship Benchmark ER.24; Hours of Work Benchmark HOW.1)

Recommendations for Immediate Action

1. Ensure that the regular production planning does not include overtime.
2. Ensure that daily and weekly working hours do not exceed legal or FLA limits, whichever is lower.
3. FLA affiliate Company's Sourcing and Social Compliance teams should: a) implement FLA Principles of Fair Labor and Responsible Sourcing and b) accordingly coordinate on the topics mentioned below to help the factory address its excessive hours issue:
 1. How to provide better order forecasts to the factories;
 2. Possible workshops/consultancy for the factory on how to improve productivity/quality;
 3. Clear guidelines on how to extend shipment deadlines in case of contingencies;
 4. Steps that factory management must follow if overtime is inevitable (steps for how to communicate with the brand's Sourcing and Social Compliance teams);
 5. Clear guidelines on the calculation and setting of reasonable production targets that will not demand work beyond regular working hours or during breaks;
 6. Clear guidelines on how and when the factory can use subcontractors and/or temporary workers to avoid excessive overtime.

FINDING NO.4

HOURS OF WORK

FINDING TYPE: Immediate Action Required

Finding Explanation

1. There are migrant workers who worked without one rest day in every seven day work period; the longest period of work without rest was 13 consecutive days in June 2014. Furthermore, migrant workers (90% of total workers) worked with only one rest day in August (1st of August) and October (3rd of October).

Local Law or Code Requirement

Jordanian Labor Law, Article 60; FLA Workplace Code (Hours of Work Benchmark HOW.2)

Recommendations for Immediate Action

1. Ensure that workers receive at least one day off in each seven-day period as required by law and the FLA Workplace Code.

FINDING NO.5

GRIEVANCE SYSTEM

FINDING TYPE: Sustainable Improvement Required

Finding Explanation

1. The grievance boxes, which are the only grievance channel available, are not used effectively. The boxes are only labeled as "suggestion boxes," and the workers are not informed about the steps for using the boxes. Nor are they placed in locations that would ensure confidentiality. Moreover, no feedback is provided to workers for the grievances received.
2. The workers are uninformed about the grievance system and receive no training on the topic, nor does the factory provide training to supervisors on the grievance system.
3. Special categories of workers do not have access to the Grievance system.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.14, ER.17, and ER.25)

FINDING NO.6

HEALTH & SAFETY

FINDING TYPE: Immediate Action Required

Finding Explanation

1. One worker was not using Personal Protective Equipment (PPE) while working with chemicals (spot lifter) at the stain removing section.
2. No PPE are provided at the maintenance room, and the steel meshed gloves in the cutting section were damaged, and had holes in them.

Local Law or Code Requirement

Jordanian Labor Law article 80, and Regulation No: 43 of the year 1998; FLA Workplace Code (Health, Safety & Environment Benchmark HSE.7)

Recommendations for Immediate Action

1. Ensure that all the workers are provided with PPE, and that they use them properly.

FINDING NO.7

HEALTH & SAFETY

FINDING TYPE: Immediate Action Required

Finding Explanation

1. The emergency exit door at Building 2 opens inward, and does not leading to a safe place without stairways. Also, there is a 6-7 cm high barrier on the floor at the emergency exit door for Building 1. All of the emergency exit doors open inwards at Building 3 and the warehouse.
2. The emergency exit floor markings are not clear. The old ones have peeled off, but are still visible in Building 3, which might create confusion.
3. One of the evacuation plans is in the wrong direction in Building 2. Also, the "you are here" sign was not clearly marked on the all evacuation plans.
4. Workers are not trained on emergency evacuation.

Local Law or Code Requirement

Jordanian Labor Law Article, 80; FLA Workplace Code (Health, Safety & Environment Benchmark HSE.5)

Recommendations for Immediate Action

1. Ensure that all emergency exit doors lead to a safe place in case of emergency.
2. Ensure that all emergency exit route markings are clearly marked, and that the outdated markings are thoroughly removed.
3. Ensure that all emergency evacuation plans align with the actual factory layout. Also, "you are here" sign should be clearly marked on the plans.

FINDING NO.8

HEALTH & SAFETY

FINDING TYPE: Immediate Action Required

Finding Explanation

1. The canteen personnel handling food in the factory's cafeteria do not follow proper hygiene rules, nor do they keep food samples for 48 hours against the risk of food poisoning.
2. The cafeteria in the dormitory does not have sufficient seats. While there are around 72 workers living on each floor, there were only around 10 chairs per floor provided in the cafeteria.
3. There is no refrigerator at the dormitory.
4. There is a foul smell in all the toilets, since the flushes are not operational.
5. The responsible person for first aid was not identified with a photo next to 50% of the first aid kits.

Local Law or Code Requirement

Instruction NO. 1 (2011) for Prevention of Health Hazards Resulting from Housing Units of Labour Camps; FLA Workplace Code (Health, Safety & Environmental Protection Benchmarks HSE.6, HSE.19, HSE. 22, and HSE.25)

Recommendations for Immediate Action

1. Fix the toilet flushes.
2. Post a photo of the person responsible for first aid next to the first aid kits.

FINDING NO.9

COMPENSATION

FINDING TYPE: Sustainable Improvement Required

Finding Explanation

1. As per Jordanian Labor Law, migrant workers receive JOD 110 plus JOD 5 for each completed year, whereas, the local (Jordanian) workers receive minimum JOD 190. The rationale is that factory pays for accommodation, travel, and food expenses for migrant workers, but not the local workers.

Local Law or Code Requirement

Tripartite Committee for Labour Affairs Decision of 2/15/2012; FLA Workplace Code (Non-Discrimination Benchmarks ND.1 and ND.3)

FINDING NO.10

WORKER INTEGRATION (MACRO)

FINDING TYPE: Sustainable Improvement Required

Finding Explanation

1. The worker integration component is missing across all Employment Functions. This indicates that the factory has not established procedures to request and/or receive workers' input/feedback regarding the creation, implementation, and updating of its policies and procedures. Workers are neither systematically integrated nor consulted in decision-making processes.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1.3 and ER.25.2)

FINDING NO.11

RECRUITMENT, HIRING & PERSONNEL DEVELOPMENT

FINDING TYPE: Sustainable Improvement Required

Finding Explanation

1. There are no procedures on performance review that include steps and processes, demonstrate linkages to job grading, prohibit discrimination, provide written feedback, and comply with legal requirements.
2. There are no procedures for steps and requirements in the promotion, demotion and reassignment scheme.
3. There is no regular review system for any of the factory's policies and procedures.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1.3, ER.29, and ER.30)